CHAPTER 1

Administration

A Fresh Start

1.1 Since its establishment in 1989, my Office has been operating like a Government department. Apart from The Ombudsman, the Office has been staffed by civil servants on secondment from the Administration. For systems and procedures, we have adopted Government processes and practices. Although this arrangement has worked smoothly, the public and the Legislative Council have been concerned that this might compromise the independence of the Office.

1.2 My predecessor appointed the first batch of contract investigators in 1994. In late 1999, I began formal negotiations with the Administration for completely independent staffing and administrative systems for my Office.

Delinked Operations

1.3 On 19 December 2001, with the commencement of The Ombudsman (Amendment) Ordinance 2001 (the Amendment Ordinance), the Office formally severed linkage with the Administration. My Office is now a corporation sole, with full statutory authority to conduct its own administrative and financial business.

Memorandum of Administrative Arrangements

1.4 I am in discussion with the Administration for a Memorandum of Administrative Arrangements (MAA). This sets out the general principles and guidelines for the administrative arrangements for my Office and its working relationship with the Administration. Negotiations with the Administration on the MAA are still underway. I expect these to be finalised within this calendar year.

Financial Arrangements

1.5 From the financial year 2001/02, i.e. this reporting year, my Office has been given a lump-sum recurrent grant for day-to-day operation and for staffing. This grant is based on the level of activities as at 31 March 2001. Future adjustment will follow the same price and salary movements applicable to Government departments. Funds for non-recurrent requirements or new services and activities in future will be considered by the Administration in its annual resource allocation exercise.

1.6 The Amendment Ordinance empowers me to keep, and invest, any funds earmarked for future requirements but not immediately needed for expenditure and to build a reserve from any savings achieved. I have maximised these resources to improve my services : e.g. creation of posts for complaints assistants to handle complaints by telephone and temporary case officers to clear the backlog building up rapidly within the year.

Administrative Arrangements

1.7 With delinking, I have developed my own accounting system to monitor expenditure and to settle payments. I have also set up my own administrative systems to reduce reliance on Government departments for services. I will continue to use some of these services where my independence is not compromised, e.g. advice and consultancy service on information technology. This will be my *modus operandi* where it is more economical and cost-effective than engaging in-house experts.

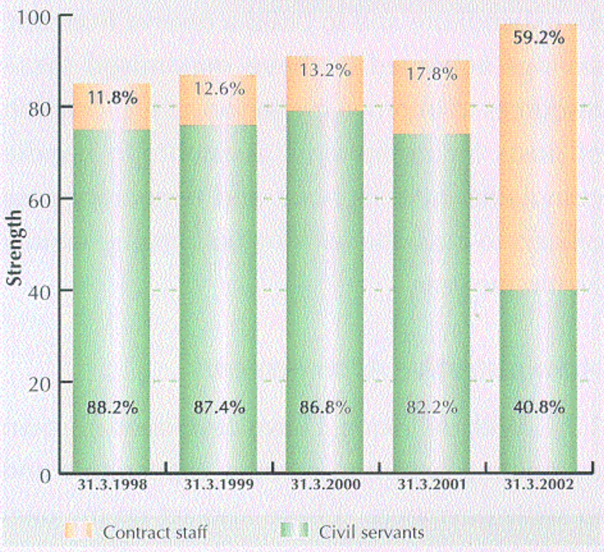
Auditing

1.8 The Director of Audit continues to scrutinise the economy, efficiency and effectiveness with which I use my resources in performing my functions and exercising my powers. In addition, I have appointed an external auditor to audit my accounts as I am required by law to submit an audited statement of accounts annually to the Chief Executive of the Hong Kong Special Administrative Region Government.

Staffing Arrangements

1.9 Because of protracted negotiations with the Administration in finalising the new remuneration package, my recruitment plans have been affected. Even so, some 60% of the posts are now filled by contract staff and I plan to phase out the remaining civil servants in the first half of 2003.

Fig.1.1 Contract staff in the Office



However, with the arrival of the new entrants, most of them without experience in handling complaints, I envisage that they need time to go through "a learning curve" before my Office can return to the level of performance when staffed substantially by civil servants.

1.10 I have engaged an executive search firm for open recruitment to fill the two Assistant Ombudsman positions by contract officers. I expect the exercise to be completed in the summer of 2002 and the candidates to report for duty within the third quarter of the year.

1.11 With the steady release of civil servants, I have taken the opportunity to review the staffing structure at all levels. By streamlining procedures and practices, I have cut supporting posts and re-graded some investigation posts.

1.12 My long-term staffing strategy is to retain a core of contract officers for continuity of experience and to supplement them by temporary staff. This will provide the flexibility necessary to meet fluctuations in workload so typical of our operation.

1.13 On 31 March 2002, I had a complement of 98 posts (90 the year before). The increase was due mainly to the employment of additional staff to handle telephone complaints and temporary case officers to enhance the output of my regular investigation teams.

Complaints against the Office

1.14 Occasionally, we receive complaints against staff. They are examined critically by my Principal Executive Officer. I would personally consider the findings and authorise the reply and any follow-up action appropriate.

Fig.1.2 Complaints against the Office

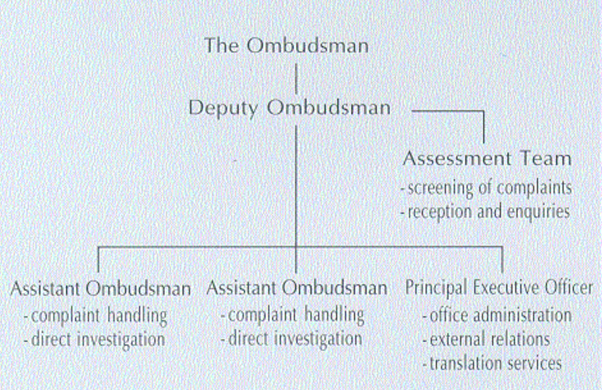
Result / Nature of complaint	Substantiated	Partially Substantiated	Unsubstantiated	Withdrawn
Staff manners (including delay and negligence)	2	1	4	–
Working procedures	–	–	3	1
Sub-total	2	1	7	1
Total		11		

These should not be confused with allegations against staff arising from my decisions on investigation results. (see paragraph 5.12)

Organisation

1.15 An organisation chart of the Office is at **Annex 8**.

Fig.1.3 **Organisation**



Accommodation

1.16 With funding support from the Finance Committee of the Legislative Council, I have acquired permanent accommodation at China Merchants Tower, Shun Tak Centre in Sheung Wan. This will achieve substantial savings in the longer range in terms of rental for leased premises. Fitting-out of my new offices will be completed by August 2002.